

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

In the Matter of:

New Boston Post Office
New Boston, IL 61272
(Barbara O'Hearn and
LuAnn Krengle, Petitioners)

Docket No. A2012-38

UNITED STATES POSTAL SERVICE COMMENTS REGARDING APPEAL
(December 21, 2011)

On October 27, 2011, the Postal Regulatory Commission (the "Commission") received two appeals, with the earliest being postmarked October 17, 2011, from postal customers Ms. Barbara O'Hearn ("Petitioner O'Hearn") and Ms. LuAnn Krengle ("Petitioner Krengle") objecting to the discontinuance of the Post Office at New Boston, Illinois (the "New Boston Post Office").¹ By means of Order No. 944, dated November 2, 2011, the Commission docketed the letter, assigning PRC Docket No. A2012-38 as an appeal pursuant to 39 U.S.C. § 404(d). The administrative record was filed with the Commission on November 14, 2011. Petitioner O'Hearn filed a Participant Statement in support of the petition on December 2, 2011, and Petitioner Krengle filed a Participant Statement in support of the petition on December 7, 2011.

The letters of appeal and Participant Statements raise two issues: (1) the impact on the provision of postal services and (2) the impact upon the New Boston community. As reflected in the administrative record of this proceeding, the Postal Service gave each of these issues serious consideration. In addition, consistent with the Postal Service's statutory obligations and Commission

¹ This discontinuance was conducted pursuant to Handbook PO-101, dated August 2004, and updated with Postal Bulletin revisions through August 2, 2007.

precedent,² the Postal Service gave consideration to a number of other issues, including the calculation of economic savings expected to result from discontinuing the New Boston Post Office and the impact upon postal employees. Accordingly, the determination to discontinue the New Boston Post Office should be affirmed.

Background

The Final Determination To Close the Suspended New Boston, IL Post Office and Continue to Establish Service by Rural Route Service (“Final Determination” or “FD”),³ as well as the administrative record, indicate that on February 4, 2011 services at the New Boston Post Office were suspended when lease negotiations between the Post Office and landlord failed. Since that time, rural delivery has emanated from, and retail service has been moved to, the Joy Post Office, located seven miles away. The Postal Service has also constructed cluster box units (CBUs) in New Boston.⁴ Prior to its suspension, the New Boston Post Office provided EAS-13 level service to 384 delivery customers, 320 Post Office Box or general delivery customers, and to retail customers from 8:15 a.m. to 12:00 p.m. and 1:00 p.m. to 4:00 p.m. Monday through Friday, and from 8:15 a.m. to 10:00 a.m. on Saturdays.⁵ The Postmaster of the New Boston Post Office retired on November 30, 2009.⁶ Since the Postmaster vacancy arose, a

² See 39 U.S.C. 404(d)(2)(A).

³ The Final Determination can be found at Item 47 in the administrative record. All citations to the Final Determination will be to “FD at __,” rather than to Item 47. The FD page number refers to the pages as marked on the upper right of the document. Other items in the administrative record are referred to as “Item __.”

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⁵ FD at 2; Item 18, Form 4920; Item 33, Proposal at 2; Item 41, Proposal (Revised) at 2

⁶ *Id.*

career employee was installed as an officer-in-charge (“OIC”) to operate the New Boston Post Office. The employee serving as the OIC has since been reassigned to another vacant position.⁷ Data on the average number of daily retail window transactions at the New Boston Post Office is unavailable as the Postal Service was unable to perform a Window Transaction Record prior to the lease termination and suspension. Revenue for the last three years has declined: \$54,557 in FY 2008; \$51,617 in FY 2009; and \$48,043 in FY 2010.⁸

Upon implementation of the Final Determination, delivery and retail services will continue to be provided by rural route service administered by the Joy Post Office, an EAS-13 level office, located 7.0 miles away, which has 150 unassigned Post Office Boxes.⁹

The Postal Service followed the proper procedures that led to the posting of the Final Determination. All issues raised by the customers of the New Boston Post Office were considered and properly addressed by the Postal Service. The Postal Service complied with all notice requirements. In addition to the posting of the Proposal and Final Determination, customers received notice through other means. Questionnaires were distributed to all Post Office Box customers of the New Boston Post Office.¹⁰ Questionnaires were also available over the counter for retail customers at the New Boston Post Office.¹¹ A letter by Wendy Berg,

⁷ FD at 8; Item 15, Post Office Fact Sheet at 1; Item 33, Proposal at 7; Item 41, Proposal (Revised) at 8.

⁸ FD at 7; Item 18, Form 4920; Item 33, Proposal at 7; Item 41, Proposal (Revised) at 7.

⁹ FD at 2; Item 18, Form 4920; Item 33, Proposal at 2; Item 41, Proposal (Revised) at 2.

¹⁰ Item 20, Questionnaire Instruction Letter.

¹¹ *Id.*

Manager, Post Office Operations, was also made available to postal customers,¹² which advised customers that the Postal Service was evaluating whether operation of the New Boston Post Office was warranted, and that effective and regular service could be provided through rural delivery and retail services available at the Joy Post Office.¹³ The letter invited customers to complete and return a customer questionnaire and to express their opinions about the service that they were receiving and the effects of a possible change involving rural delivery. One hundred and ninety customers returned questionnaires, and the Postal Service responded.¹⁴ In addition, representatives from the Postal Service were available at the New Boston Community Hall for a community meeting on February 23, 2011, to answer questions and provide information to customers.¹⁵ Seventy-eight customers attended.¹⁶ On February 25, 2011, the Postal Service received a petition with 144 signatures. One Congressional inquiry was received on February 28, 2011. Customers received formal notice of the Proposal and Final Determination through postings at the Joy Post Office.¹⁷ The Proposal was

¹² In addition to the discontinuance letter, on February 1, 2011, after negotiations between the Postal Service and the New Boston Post Office landlord failed, Ms. Berg sent a letter to New Boston Post Office customers explaining the suspension of services at the New Boston Post Office and services that the Postal Service would provide, including rural delivery and CBUs. The letter further explained that the Postal Service has made no determination as to whether the New Boston Post Office would close permanently. See Item 3; Notice of Suspension.

¹³ Item 21, Cover Letter for Questionnaire.

¹⁴ Item 22, Returned Questionnaires and Postal Service Response Letters; Item 23, Analysis of Questionnaires.

¹⁵ Item 26, Community Meeting Letter.

¹⁶ Item 24, Community Meeting Roster; Item 25, Community Meeting Analysis.

¹⁷ The Postal Service was unable to post notices at the New Boston Post Office because the lease had expired and the Postal Service did not have access the building.

posted with an invitation for public comment at the Joy Post Office¹⁸ for 60 days beginning June 3, 2011, and ending August 4, 2011.¹⁹

One customer returned comments in response to the “Invitation for Comments” after the Proposal was posted.²⁰ The Postal Service addressed those concerns in a letter to the customer.²¹ The Final Determination was posted at the Joy Post Office beginning on September 29, 2011 as confirmed by the round-dated Final Determination cover sheets that appear in the administrative record as Item 49. The Final Determination has been posted continuously since September 29, 2011 and thus no removal date exists. In light of a the expiration of the lease and suspension; Postmaster vacancy; minimal workload; declining revenue; the variety of delivery and retail options (including the convenience of rural delivery and retail service); minimal projected population, residential, commercial, or business growth in the area; minimal impact upon the community; and the expected financial savings, the Postal Service issued the Final Determination. Regular and effective postal services will continue to be provided to the New Boston community in a cost-effective manner upon implementation of the final determination.

¹⁸ The Joy Post Office is not a candidate facility within the Retail Access Optimization Initiative (RAOI). See Docket No. N2011-1, USPS LR-N2011-1/11 Rev 1, at <http://www.prc.gov/prc-pages/library/detail.aspx?docketId=N2011-1&docketPart=Documents&docid=75971&docType=Library%20References&attrID=&attrName=>

¹⁹ Item 31, Instructions to Post Proposal; Item 32, Invitation for Comments; Item 33, Proposal.

²⁰ Item 34, Comment Form.

²¹ Item 38, Proposal Comments and Postal Service Response Letters.

Analysis

Each of the issues raised by the Petitioners is addressed in the paragraphs which follow.

Effect on Postal Services

Consistent with the mandate in 39 U.S.C. § 404(d)(2)(A)(iii) and as addressed throughout the administrative record, the Postal Service considered the effect of closing the New Boston Post Office on postal services provided to New Boston customers. The closing is premised upon providing regular and effective postal services to New Boston customers.

Petitioners expressed specific concerns regarding difficulties for seniors and handicapped customers to utilize postal services, winter weather causing difficulties for postal employees and CBUs, the service standard at the Joy Post Office compared to the New Boston Post Office, the lack of a window transaction study, and the lack of the bulk mail collection in New Boston. These same concerns, in addition to others, were also raised by other New Boston customers in response to questionnaires, at the community meeting, and in comments to the proposal.²² These concerns were considered by the Postal Service alongside other issues pertaining to the impact of closing the New Boston Post Office upon the provision of postal services to New Boston customers.²³

²² Item 22, Returned Questionnaires and Postal Service Response Letters; Item 25, Community Meeting Analysis; Item 38, Proposal Comments and Postal Service Response Letters.

²³ FD at 2-6; Item 33, Proposal at 2-6; Item 41, Proposal (Revised) at 2-7

Petitioners are concerned about the effect of the winter weather on the rural delivery carriers and the lock mechanisms for CBUs. While not directly addressed in the Administrative Record, the Postal Service is aware that while inclement weather conditions are a factor in delivering and collecting, and the Postal Service makes every effort to provide a safe environment for its customers and employees. In addition, locks on CBUs can freeze during extreme cold weather conditions, but CBU maintenance can alleviate this problem.²⁴ Customers are encouraged to contact the Joy Post Office if they experience any problems with their CBUs.²⁵

Petitioner O'Hearn commented that the Postmaster at the New Boston Post Office was very good and implied concern about receiving the same level of service from rural carriers and at the Joy Post Office. The Postal Service is appreciates these observations, and submits that customers should expect this same high level of service from their rural carriers and at the Joy Post Office.

In addition, the loss of retail services and Post Office Boxes at New Boston does not have a large impact on the quality of service provided by the Postal Service. As explained throughout the administrative record, rural carriers can perform many functions (at the same time that the carrier delivers the mail) that will avert the need to go to any Post Office, Joy or otherwise.²⁶

²⁴ FD at 5; Item 25, Community Meeting Analysis at 2; Item 33, Proposal at 5; Item 41, Proposal (Revised) at 5.

²⁵ *Id.*

²⁶ FD at 2-6 Item 33, Proposal at 2-6; Item 41, Proposal (Revised) at 2-7.

Carrier service is especially beneficial to many senior citizens and those who face special challenges because the carrier can provide delivery and retail services to roadside mailboxes or cluster box units.²⁷ Customers do not have to make a special trip to the Post Office for most services. Stamps by Mail and Money Order Application forms are available for customer convenience, and stamps are also available at many stores and gas stations, online at usps.com, or by calling 1-800-STAMP-24.²⁸ Customers can also request special services, such as Certified, Registered, or Express Mail, Delivery Confirmation, Signature Confirmation, and COD from the carrier.²⁹ Further, most transactions do not require meeting the carrier at the mailbox.³⁰ Special provisions are made, on request, for hardship cases or special customer needs.³¹

Petitioner Krengle states that when the Postal Service did the window transaction survey, the New Boston Post Office had already been suspended. Petitioner Krengle is correct that no window transaction survey was performed at the New Boston Post Office because the office was suspended, as a result of the failed lease negotiations, before the discontinuance process began.³² While the Postal Service prefers to perform a window transaction survey as part of its discontinuance review process, such a survey was not possible in this situation.

²⁷ FD at 2-4; Item 22, Returned Questionnaires and Postal Service Response Letters at 14, 55, 132, 332, 347, 372; Item 23, Analysis of Questionnaires at 2-3; Item 33, Proposal at 2-4; Item 41, Proposal (Revised) at 2-4.

²⁸ *Id.*

²⁹ FD at 5-6; Item 25, Community Meeting Analysis at 2.; Item 33, Proposal at 5-6; Item 41, Proposal (Revised) at 5-6.

³⁰ FD at 3-6; Item 22, Returned Questionnaires and Postal Service Response Letters at 42, 61, 160, 245, 362, 468, 563, 616; Item 23, Analysis of Questionnaires at 2-3; Item 33, Proposal at 3-6; Item 40, Analysis of Comments; Item 41, Proposal (Revised) at 3-6.

³¹ *Id.*

³² See Item 2, Notice to Headquarters of Suspension; Item 3, Notice of Suspension.

Nevertheless, the Postal Service evaluated incoming and dispatched mail that would have gone through the New Boston Post Office and calculated a Workload Service Credit for the New Boston Post Office.³³ These data provided sufficient information upon which the Postal Service could determine to discontinue the New Boston Post Office.

Petitioner Krengle also asserts that it is difficult for businesses to mail bulk letters because New Boston does not have a large blue box for collection.

Petitioner Krengle is correct that commercial bulk mail must be delivered to a Postal Service facility, which would now require businesses to travel to the Joy Post Office or another nearby Post Office; however, the New Boston Post Office did not have any permit holders or postage meter customers that used bulk mail,³⁴ thereby addressing this concern. Furthermore, CBUs installed in New Boston contain collection compartments for outgoing mail and rural carriers will collect mail from individuals or businesses through these receptacles along their route.³⁵ Should none of these options suffice, businesses can contact the Postal Service to discuss alternate arrangements.

Upon the implementation of the Final Determination, delivery and retail services will continue to be provided by rural delivery emanating from the Joy Post Office. In addition to rural delivery, which is the recommended alternate service, customers may also receive postal services, including P.O. Box service, at the Joy Post Office, which is located eleven miles away. The window service

³³ Item 9, Work Service Credit Worksheet; Item 11, Record of Incoming Mail; Item 12, Record of Dispatched Mail.

³⁴ FD at 8; Item 15, Post Office Fact Sheet; Item 33, Proposal at 7; Item 41, Proposal (Revised) at 8.

³⁵ FD at 5; Item 33, Proposal at 5; Item 41, Proposal (Revised) at 5.

hours of the Joy Post Office are from 7:30 a.m. to 12:00 p.m. and 1:00 p.m. to 4:00 p.m., Monday through Friday and from 7:30 a.m. to 10:00 a.m. on Saturdays.³⁶ As previously discussed, the Postal Service has already installed CBUs for New Boston Post Office customers.³⁷ Thus, the Postal Service has properly concluded that all New Boston customers will continue to receive regular and effective service via rural service.

Effect on Community

The Postal Service is obligated to consider the effect of its decision to close the New Boston Post Office upon the New Boston community.³⁸ While the primary purpose of the Postal Service is to provide postal services, the statute recognizes the substantial role in community affairs often played by local Post Offices, and requires consideration of that role whenever the Postal Service proposes to discontinue a Post Office.

New Boston is an incorporated town located in Mercer County. The community is administered politically by a mayor and council. Police protection is provided by the New Boston Police. Fire protection is provided by the City of New Boston.³⁹ The questionnaires completed by New Boston customers indicate that, the community is comprised of retirees, farmers, and those who commute to

³⁶ FD at 2; Item 18, Form 4920; Item 33, Proposal at 2; Item 41, Proposal (Revised) at 2.

³⁷ Item 3, Notice of Suspension at 2; Item 29, Proposal Checklist at 2.

³⁸ 39 U.S.C. § 404(d)(2)(A)(i).

³⁹ FD at 6; Item 16, Community Fact Sheet; Item 33, Proposal at 6; Item 41, Proposal (Revised) at 7..

work in nearby communities and work in local businesses.⁴⁰ The town has numerous businesses.⁴¹

Petitioners state that the New Boston Post Office was a meeting place and location for a bulletin board for the community. The Postal Service, however, noted that the closing of the New Boston Post Office will not leave residents without a place to meet. Residents may continue to meet informally, socialize, and share information at the other businesses, churches and residences in the community-at-large.⁴² In addition, CBUs may provide a more centralized gathering place when customers retrieve their mail. Public notices previously posted at the New Boston Post Office may now be posted at local government buildings, including the New Boston City Hall

Petitioners also noted that the population of New Boston is increasing and the loss of the Post Office may hamper its current growth trends. The growth of a community, however, does not depend on the location of a Post Office. Based on information obtained by the Postal Service, it was determined that there has been minimal growth in the area in recent years.⁴³ The Postal Service further found that carrier service will be able to accommodate future growth.⁴⁴

Other community members raised concerns that the discontinuance of the New Boston Post Office will result in a loss of identity for the community and the

⁴⁰ See *generally* FD at 6; Item 16, Community Fact Sheet; Item 18, Form 4920; Item 33, Proposal at 6; Item 41, Proposal (Revised) at 7.

⁴¹ FD at 6; Item 18, Form 4920; Item 33, Proposal at 6; Item 41, Proposal (Revised) at 7.

⁴² Item 22, Returned Questionnaires and Postal Service Response Letters at 65, 266.

⁴³ FD at 7; 16; Community Fact Sheet; Item 33, Proposal at 6; Item 41, Proposal (Revised) at 7.

⁴⁴ FD, at 5-7; Item 22, Returned Questionnaires and Postal Service Response Letters at 119; Item 25, Community Meeting Analysis at 1-2; Item 33, Proposal at 5-6; Item 41, Proposal (Revised) at 5-7.

Postal Service is cognizant of the importance of the New Boston Post Office to members of the community and extensively considered those issues, as reflected in the administrative record.⁴⁵

In response to the concern over community identity, the Postal Service explained that a community's identity derives from the interest and vitality of its residents and their use of its name, and that New Boston customers would be able to retain the New Boston name and ZIP Code in addresses.⁴⁶

The Postal Service determined that its customers could continue to receive effective postal services elsewhere. Communities generally require regular and effective postal services and these will continue to be provided to the New Boston community. In addition, the Postal Service has concluded that non-postal services provided by the New Boston Post Office can be provided by the Joy Post Office.⁴⁷

Thus, the Postal Service has met its burden, as set forth in 39 U.S.C. § 404(d)(2)(A)(i), by considering the effect of closing the New Boston Post Office on the community served by the New Boston Post Office.

Economic Savings

Postal officials also properly considered the economic savings that would result from the proposed closing, as provided under 39 U.S.C. § 404(d)(2)(A)(iv). The Postal Service estimates that rural service would cost the Postal Service substantially less than maintaining the New Boston Post Office and would still

⁴⁵ FD, at 5-7; Item 22, Returned Questionnaires and Postal Service Response Letters at 119; Item 25, Community Meeting Analysis at 1-2; Item 33, Proposal at 5-6; Item 41, Proposal (Revised) at 5-7.

⁴⁶ *Id.*

⁴⁷ FD at 6; Item 33, Proposal at 6; Item 41, Proposal (Revised) at 7.

provide regular and effective service.⁴⁸ The estimated annual savings associated with discontinuing the New Boston Post Office are \$26,700.⁴⁹ There is a one time cost of \$15,361 incurred in relation to the construction of CBUs.⁵⁰ Economic factors are one of several factors that the Postal Service considered, and economic savings have been calculated as required for discontinuance studies, which is noted throughout the administrative record and consistent with the mandate in 39 U.S.C. § 404(d)(2)(A)(iv).⁵¹

Petitioners contend that the City of New Boston has offered to build a new building for the Post Office. This factor does not, however, diminish the substantial economic savings that result from this discontinuance action, which primarily consist of labor cost savings. Although the cost of the lease is one cost that the Postal Service considers, in comparison to other expenses and avenues for economic savings, the lease cost is often not a significant portion of the savings, as is the case with the New Boston Post Office.⁵² Thus, the Postal Service properly evaluated the proposed rental opportunity announced at the meeting and determined that continuing operations of the New Boston Post Office were not reasonable, and the statements in the Participant Statements regarding a new city building do not change this analysis.

⁴⁸ FD at 7; Item 21, Cover Letter for Questionnaire; Item 33, Proposal at 7; Item 41, Proposal (Revised) at 8.

⁴⁹ FD at 7; Item 29, Proposal Checklist at 2; Item 33, Proposal at 7; Item 41, Proposal (Revised) at 8.

⁵⁰ *Id.*

⁵¹ *Id.*

⁵² FD at 7; Item 29, Proposal Checklist at 2; Item 33, Proposal at 7; Item 41, Proposal (Revised) at 8.

The Postal Service determined that rural route service is more cost-effective than maintaining the New Boston postal facility and postmaster position.⁵³ The Postal Service's estimates are supported by record evidence, in accordance with the Postal Service's statutory obligations. The Postal Service, therefore, has considered the economic savings to the Postal Service resulting from such a closing, consistent with its statutory obligations and Commission precedent.⁵⁴

Effect on Postal Employees

As documented in the record, the impact on postal employees is minimal. The Postmaster retired on November 30, 2009.⁵⁵ A career employee was installed as the temporary OIC. The career employee serving as the OIC was reassigned to another vacant position when the New Boston Post Office was suspended on February 4, 2011.⁵⁶ The record shows that no other employee would be affected by this closing.⁵⁷ Therefore, in making the determination, the Postal Service considered the effect of the closing on the employees at the New Boston Post Office, consistent with its statutory obligations.⁵⁸

Conclusion

As reflected throughout the administrative record, the Postal Service has followed the proper procedures and carefully considered the effect of closing the New Boston Post Office on the provision of postal services and on the New

⁵³ FD at 8; Item 33, Proposal at 7; Item 41, Proposal (Revised) at 8.

⁵⁴ See 39 U.S.C. § 404(d)(2)(A)(iv).

⁵⁵ *Id.*

⁵⁶ FD at 7; Item 15, Post Office Fact Sheet at 1.

⁵⁷ *Id.*

⁵⁸ See 39 U.S.C. § 404(d)(2)(A)(ii).

Boston community, as well as the economic savings that would result from the proposed closing, the effect on postal employees, and other factors, consistent with the mandate of 39 U.S.C. § 404(d)(2)(A).

After taking all factors into consideration, the Postal Service determined that the advantages of discontinuance outweigh the disadvantages. In addition, the Postal Service concluded that after the discontinuance, the Postal Service will continue to provide effective and regular service to New Boston customers.⁵⁹ The Postal Service respectfully submits that this conclusion is consistent with and supported by the administrative record and is in accordance with the policies stated in 39 U.S.C. § 404(d)(2)(A).

Accordingly, the Postal Service respectfully requests that the determination to close the New Boston Post Office be affirmed.

Respectfully submitted,

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December 21, 2011

⁵⁹ FD at 2.